



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

July 18, 2000

Jeffrey L. Poston, Esq.  
King, Pagano & Harrison  
1730 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006

RE: MUR 4941  
Friends for Harry Reid and  
Clifford R. Beadle, as Treasurer

Dear Mr. Poston:

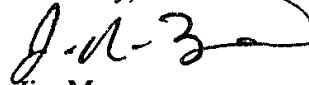
On July 13, 2000, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your behalf in settlement of a violation of 2 U.S.C. § 434(a)(6)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). On the same date, the Commission decided to take no further action against Friends for Harry Reid and its treasurer, with regard to the Commission's reason to believe findings that they violated 2 U.S.C. §§ 432(b)(1) and (c)(3), 434(b)(3)(A) and (E), 434(b)(2)(G), and 11 C.F.R. §§ 102.8(a), 104.3(a)(3)(vii)(B) and 104.8(a). Accordingly, the file has been closed in this matter.

The confidentiality provisions at 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record before receiving your additional materials, any permissible submissions will be added to the public record upon receipt.

Information derived in connection with any conciliation attempt will not become public without the written consent of the respondent and the Commission. See 2 U.S.C. § 437g(a)(4)(B). The enclosed conciliation agreement, however, will become a part of the public record.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

  
Jim Moyer  
Law Clerk

Enclosure  
Conciliation Agreement

2000.07.18.10.41.3800

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of )  
 ) MUR 4941  
Friends for Harry Reid and )  
Clifford R. Beadle, as treasurer )

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FEDERAL ELECTION  
COMMISSION  
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**CONCILIATION AGREEMENT**

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe Friends for Harry Reid and Clifford R. Beadle, as treasurer ("the Respondents"), violated 2 U.S.C. § 434(a)(6)(A).

NOW, THEREFORE, the Commission and the Respondents, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondents have had a reasonable opportunity to demonstrate no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Friends for Harry Reid is a political committee within the meaning of 2 U.S.C. § 431(4), and is the authorized principal campaign committee for Harry Reid's 1998 senatorial campaign.

2. Clifford R. Beadle is the treasurer of Friends for Harry Reid.

3. The Federal Election Campaign Act of 1971, as amended ("the Act"), requires principal campaign committees of candidates for federal office to notify in writing either the Secretary of the Senate or the Commission, as appropriate, and the Secretary of State of the appropriate state, of each contribution totaling \$1,000 or more, received by any authorized committee of the candidate after the 20<sup>th</sup> day but more than 48 hours before any election.

2 U.S.C. § 434(a)(6)(A). The Act further requires notification to be made within 48 hours after the receipt of the contribution and to include the name of the candidate and office sought, the date of receipt, the amount of the contribution, and the identification of the contributor. *Id.* The notification of these contributions shall be in addition to all other reporting requirements.

2 U.S.C. § 434(a)(6)(B).

4. The Act defines "contribution" as including "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office." 2 U.S.C. § 431(8)(A)(i). Further, a loan is considered a contribution at the time it is made. 11 C.F.R. § 100.7(a)(1)(i)(B).

5. On October 15, 1998, the Respondents received a candidate loan totaling \$100,000. The Respondents did not submit a 48 Hour Notice for the contribution.

6. The Respondents disclosed the candidate loan in the 1998 30 Day Post-General Report.

7. The Respondents have cooperated with the Commission in this matter.

8. The Respondents contend that their disclosure of the loan in the 30 Day Post General Report, rather than in a 48 Hour Notice, was not a knowing and willfull violation of the Act.

9. The Commission does not allege in this matter that Senator Reid personally violated the Act or any regulations thereunder.

V. The Respondents failed to report a campaign contribution of \$1,000 or more, received after the 20<sup>th</sup> day, but more than 48 hours before the general election, within 48 hours of receipt of the contribution, in violation of 2 U.S.C. § 434(a)(6)(A).

VI. The Respondents will pay a civil penalty to the Federal Election Commission in the amount of Twelve Thousand and Five hundred dollars (\$12,500), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirement contained in this agreement and to so notify the Commission.

X. The Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or

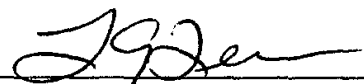
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oral, made by either party or by agents of either party, not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Lawrence M. Noble  
General Counsel

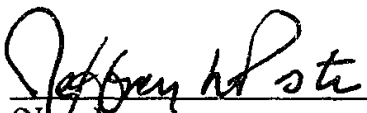
BY:

  
Lois G. Lerner  
Associate General Counsel

Date

2/14/00

FOR RESPONDENTS:

  
(Name)  
(Position)

Date

June 15, 2000

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